

City of Detroit

CITY COUNCIL

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ANNE MARIE LANGAN
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TO: Delbert Brown, Director
Airport Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

14.

DATE: April 28, 2010

RE: 2010-2011 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2010-2011 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing **Wednesday, May 5, 2010 at 11:00 a.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Norman White, Chief Financial Officer
Pamela Scales, Budget Department Director
Terri Wilson, Budget Department Team Leader
Kamau Marable, Mayor's Office

Airport (10)

FY 2010-2011 Budget Analysis by the Fiscal Analysis Division

Summary

For fiscal year 2010-11, the Mayor anticipates that the Airport Department will be operated under an agreement with an outside agency. In addition, the City of Detroit will continue to subsidize the Airport in the amount of \$208,887 (a reduction of \$581,468), which is reflected in the Non Departmental budget 00347 Airport Support (pg. 35-28).

In the current fiscal year (2009-2010), the department has an operating budget of \$1.9 million with five positions.

2009-2010 Surplus/ (Deficit)

A surplus or deficit is not projected for the Airport for fiscal year 2010-2011.

Overtime

Overtime is budgeted at \$13,905 for the current year. Through March 31, 2010 of the current year, \$7,062 has been spent in overtime. The recommended 2010-2011 budget does not include any amount for overtime.

Personnel and Turnover Savings

Turnover savings is not projected for the Airport for fiscal year 2010-2011.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2009-10</u>	<u>Filled Positions 3/31/2010</u>	<u>Budget Positions FY 2010-11</u>	<u>Over/(Under) Actual to 09/10 Budget</u>	<u>Mayor's Recommended Turnover</u>
Airport (10):					
100010 Administration	3	3	0	0	\$ -
100020 Maintenance	0	0	0	0	\$ -
100030 Operations	2	1	0	(1)	\$ -
100040 Public Safety	0	0	0	0	\$ -
00223 Airport Operations	5	4	0	(1)	\$ -
10XXXX Worker's Comp.	0	0	0	0	\$ -
10XXXX Unmatched Positions	<u>0</u>	<u>5</u>	<u>0</u>	<u>5</u>	<u>\$ -</u>
TOTAL	<u>5</u>	<u>9</u>	<u>0</u>	<u>4</u>	<u>\$ -</u>

Proposed Layoffs and Position Changes

The Mayor's 2010-2011 Proposed Budget does not include any budgeted amounts for staff for the Airport. There are five deleted positions for fiscal year 2010-2011.

Airport (10)

Budgeted Professional and Contractual Services by Activity	FY 2009-10 Budget	FY 2010-11 Recommended	Increase (Decrease)
Airport Operations	\$ 12,000	\$ -	\$ (12,000)
Total	\$ 12,000	\$ -	\$ (12,000)

Significant Funding Changes by Appropriation

<u>Appro.</u>	<u>Program</u>	
00223	Airport Operations	The Mayor's 2010-2011 Proposed Budget does not include an amount for operations. This reflects a decrease of \$1,949,836 from the 2009-2010 budget of \$1,949,836. This decrease is due to the Mayor anticipating that the Airport will be managed by an outside entity.

Issues and Questions

According to the Mayor's Budget message, the Mayor anticipates to save over \$500,000 in fiscal year 2010-11, when the management of the Airport is turned over by June 2010.

1. What is the status of the proposed operating agreement?
2. What is the expected duration of the operating agreement?
3. What will the \$200,000 in subsidies be used for?
4. What will happen to the City employees at the Airport?
5. What is the plan for the Airport if an operating agreement is not reached during fiscal year 2010-2011?
6. Currently, City Airport has a contract with Signature Flight Support for the sell fuel and operating rights to other support services at the Airport. The contract expires September 30, 2010. What impact will the proposed operating agreement have on the Signature contract?